

Industrial Commission

Analyst: Swanson

Historical Summary

OPERATING BUDGET	FY 2006 Total App	FY 2006 Actual	FY 2007 Approp	FY 2008 Request	FY 2008 Gov Rec
BY PROGRAM					
Compensation	4,845,900	4,289,100	5,191,900	5,425,000	5,115,500
Rehabilitation	3,574,700	3,286,700	3,626,600	3,781,900	3,596,400
Crime Victims Compensation	3,981,100	3,039,600	4,037,100	4,189,900	4,040,500
Adjudication	1,949,900	1,684,900	2,010,400	2,190,500	2,042,300
Total:	14,351,600	12,300,300	14,866,000	15,587,300	14,794,700
BY FUND CATEGORY					
Dedicated	13,500,900	11,464,800	14,015,400	14,736,700	13,944,100
Federal	850,700	835,500	850,600	850,600	850,600
Total:	14,351,600	12,300,300	14,866,000	15,587,300	14,794,700
Percent Change:		(14.3%)	20.9%	4.9%	(0.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,548,200	7,261,300	7,290,100	8,196,600	7,597,000
Operating Expenditures	2,310,600	1,443,400	3,014,000	2,855,600	2,762,400
Capital Outlay	177,600	187,300	274,800	248,000	148,200
Trustee/Benefit	4,315,200	3,408,300	4,287,100	4,287,100	4,287,100
Total:	14,351,600	12,300,300	14,866,000	15,587,300	14,794,700
Full-Time Positions (FTP)	139.50	139.50	139.50	143.50	139.50

Department Description

The Industrial Commission was established in 1918 to ensure that Idaho's Workers' Compensation Law is impartially and efficiently administered. The commission encourages safe working environments, prompt and accurate benefit payments, timely dispute resolution, and quality vocational rehabilitation services. The commission maintains files of all industrial accidents and illnesses and keeps records of employers and their workers' compensation insurance companies.

The COMPENSATION PROGRAM includes benefits administration, employer compliance, fiscal, information systems, and the human resources section. Responsibilities of the Compensation Program include evaluating insurance carriers and employers wishing to become self-insured; enforcing the coverage requirements; and monitoring benefit payments. This program also funds the Logging Safety and Industrial Safety Programs at the Division of Building Safety. The Logging Safety Program seeks to improve safety in logging operations across the state. Industrial Safety provides inspections of state, school district, county and city facilities to ensure safe working conditions.

The REHABILITATION PROGRAM is a neutral party that supports a worker's medical recovery and assists in reducing their period of temporary disability resulting from an industrial injury. This program facilitates returning the worker to gainful employment at as close as possible to their pre-injury status and wage. The Rehabilitation Program is concerned with both physical and vocational rehabilitation with special emphasis on job placement. Consultants serve injured workers from eleven field offices across the state.

The CRIME VICTIMS COMPENSATION PROGRAM was established in 1986 to help offset the out-of pocket expenses incurred by innocent victims of crime. Benefits are paid only for costs such as medical and mental health care, lost wages, loss of support, and funeral expenses up to a maximum of \$25,000 per victim per crime. Property damages are not eligible. Funds are generated by surcharges on convictions or pleadings of guilt. Certain restitution and prison payment programs are also directed to the fund.

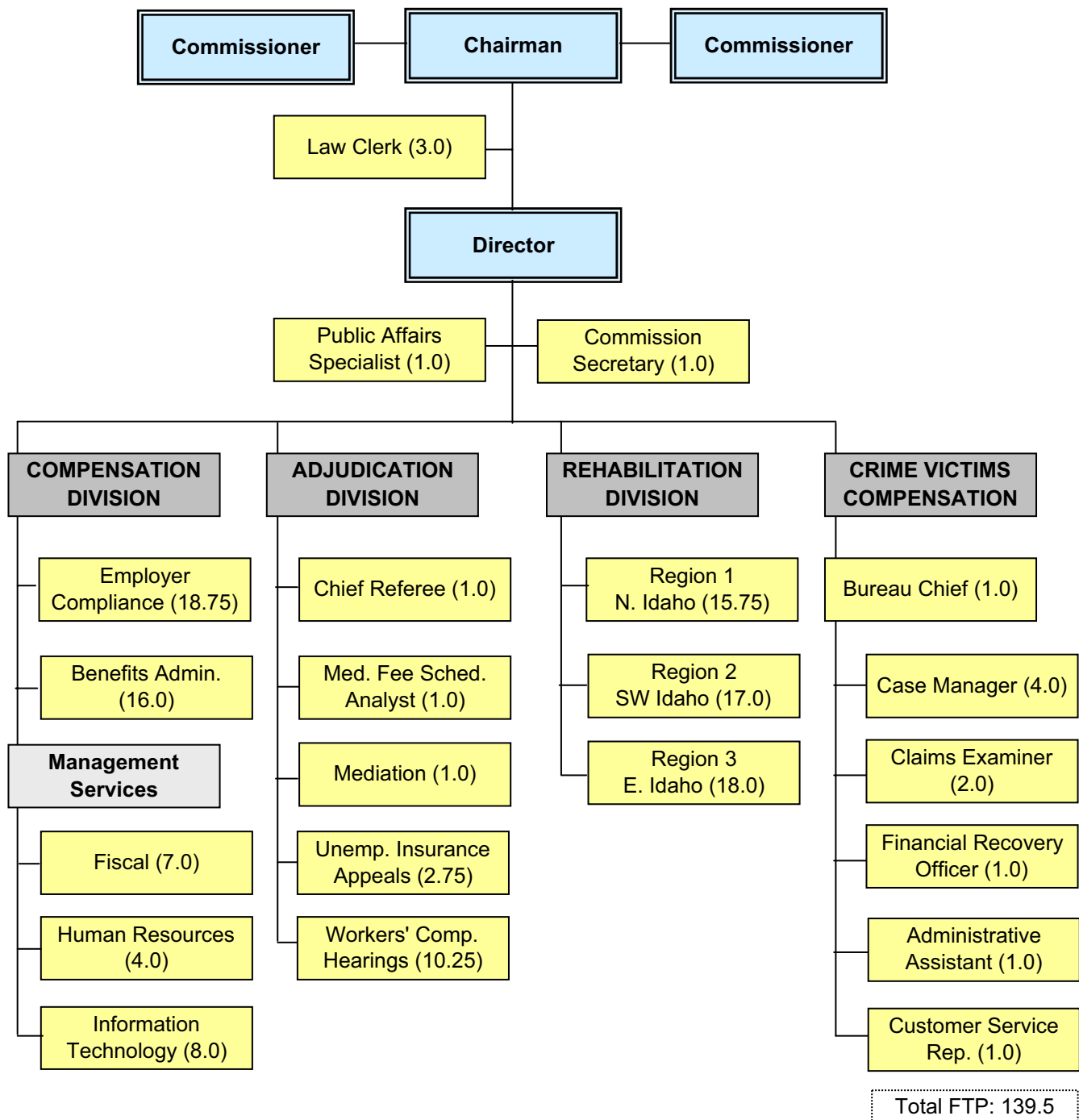
The ADJUDICATION PROGRAM consists of three commissioners appointed by the Governor who sit as a judicial body to hear and adjudicate disputes arising between injured workers and employers, and to provide judicial review of decisions from the Department of Commerce and Labor. The commission also provides a mediation process that is available at any stage of the claim to assist the parties in reaching a successful resolution of a dispute.

Industrial Commission

Agency Profile

Analyst: Swanson

Organizational Chart



Industrial Commission

Agency Profile

Analyst: Swanson

Sources/Uses of Funds	FY 2007 Original Appropriation
Industrial Administration Fund: Derived from 2.5% tax on workers' compensation insurance policy premiums from every surety and self-insurer and other miscellaneous fees. Used to fund the Compensation, Rehabilitation, and Adjudication programs. Also used for Industrial Safety and Logging programs in the Division of Building Safety.	\$10,798,300
Crime Victims Compensation: All persons convicted of misdemeanors or felonies pay a fine of \$25 for misdemeanors, \$50 for felonies, and an additional \$200 for any sex offense. These monies are transmitted by the counties to the State Treasurer for deposit in this fund and are used to compensate victims of crime or their dependents for medical, mental health counseling, lost wages and burial (if applicable) expenses incurred directly as a result of being victimized. Maximum amount of \$25,000 per victim per crime.	\$3,191,600
Federal Grant: Crime victim funds from the Department of Justice and Census of Fatal Injuries funds from U.S. Department of Labor, Bureau of Labor Statistics.	\$850,600
Miscellaneous Revenue: Seminar receipts for commission-sponsored workers' compensation seminars. Pays for the cost of conducting seminars and certification programs.	\$25,500
Total Appropriation	<u>\$14,866,000</u>

Selected Measures

CASE MANAGEMENT/SERVICES PROVIDED	FY 2003	FY 2004	FY 2005	FY 2006
COMPENSATION PROGRAM				
Workers' Compensation Claims Filed	44,606	42,352	42,344	44,622
Medical Only	37,169	35,748	35,796	38,039
Time-Loss	7,002	6,559	6,501	6,520
Impairment Only	0	10	1	27
Fatalities	35	35	47	36
Cases Referred to Investigator	4,906	6,179	6,435	6,804
Cases Brought Into Compliance	2,261	2,653	2,667	2,601
REHABILITATION PROGRAM				
Cases Rehabilitated (Workers Returned to Work)	1,391	1,405	1,439	1,480
CRIME VICTIMS COMPENSATION				
Crime Victims Claims Filed	1,706	1,757	1,912	2,000
Decisions Made	1,278	1,391	1,389	1,867
Awards	1,052	1,115	1,096	1,427
Denials	225	275	293	440
Crime Victims Compensation Paid	\$1.90M	\$2.15M	\$2.24M	\$2.35M
ADJUDICATION				
Workers' Compensation Complaints Filed	1,225	1,223	1,248	1,112
Workers' Compensation Hearings Held	123	123	113	120
Mediations Held*	325	468	486	425
Successful Mediations*	418	632	851	830
Unemployment Decisions Issued (Including Reconsiderations)	621	703	668	578
*Each "mediation held" can include more than one claim. "Successful mediations" are counted by claim, so the number of successful mediations generally exceeds the number of mediations held.				

Industrial Commission

Analyst: Swanson

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	139.50	0	14,866,000	139.50	0	14,866,000
Removal of One-Time Expenditures	0.00	0	(494,900)	0.00	0	(494,900)
FY 2008 Base	139.50	0	14,371,100	139.50	0	14,371,100
Benefit Costs	0.00	0	201,700	0.00	0	0
Inflationary Adjustments	0.00	0	41,900	0.00	0	0
Replacement Items	0.00	0	148,200	0.00	0	148,200
Statewide Cost Allocation	0.00	0	(41,500)	0.00	0	(41,500)
Change in Employee Compensation	0.00	0	214,800	0.00	0	306,900
FY 2008 Program Maintenance	139.50	0	14,936,200	139.50	0	14,784,700
1. Medical Fee Program Specialist	1.00	0	64,200	0.00	0	0
2. Compliance Investigations Supervisor	1.00	0	95,400	0.00	0	0
3. Salary Schedule Market Adjustment	0.00	0	306,600	0.00	0	0
4. Crime Victims Supervisor	1.00	0	65,200	0.00	0	0
5. CV Financial Support Technician	1.00	0	45,200	0.00	0	0
6. Security Software	0.00	0	15,000	0.00	0	15,000
7. Vehicle for Boise Administrative Office	0.00	0	25,000	0.00	0	25,000
8. Development Servers	0.00	0	24,500	0.00	0	24,500
9. Additional Seminar Appropriation	0.00	0	10,000	0.00	0	10,000
10. Use of Budget Savings	0.00	0	0	0.00	0	(64,500)
FY 2008 Total	143.50	0	15,587,300	139.50	0	14,794,700
Change from Original Appropriation	4.00	0	721,300	0.00	0	(71,300)
% Change from Original Appropriation			4.9%			(0.5%)

Industrial Commission

Analyst: Swanson

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	139.50	0	14,015,400	850,600	14,866,000

Removal of One-Time Expenditures

Remove funding provided for one-time items, including \$74,400 in operating expenditures for office relocation.

Agency Request	0.00	0	(494,900)	0	(494,900)
Governor's Recommendation	0.00	0	(494,900)	0	(494,900)

FY 2008 Base					
Agency Request	139.50	0	13,520,500	850,600	14,371,100
Governor's Recommendation	139.50	0	13,520,500	850,600	14,371,100

Benefit Costs

Restores funding for premium holidays taken in FY 2007 estimated at \$865 per employee. Also includes the employer-paid portion of estimated changes in employee benefit costs including \$350 per employee for health insurance.

Agency Request	0.00	0	201,700	0	201,700
----------------	------	---	---------	---	---------

The Governor recommends that all health insurance related adjustments be funded by program changes or utilizing reserves available in the group insurance contract. As the PERSI Board voted to maintain the current contribution rate for the upcoming fiscal year, no adjustment to retirement rates is necessary.

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

Inflationary Adjustments

This customized inflationary adjustment is a 1.50% increase over base operating expenditures. It is calculated by subtracting statewide allocation plan costs and applying a 1.81% increase for all remaining operating costs.

Agency Request	0.00	0	41,900	0	41,900
----------------	------	---	--------	---	--------

Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

Replacement Items

The commission is requesting the following replacement items, with the cost allocated between all programs: one main uninterruptible power supply (\$40,000); two servers (\$9,950 each/\$19,900 total); three laptops with Visio software (\$2,667 each/\$8,000 total); and one projector (\$1,800).

COMPENSATION

Replacement items include one 4-wheel drive vehicle (\$27,000).

REHABILITATION

Replacement items include two printers (\$2,250 each/\$4,500 total); two servers (\$10,000 each/\$20,000 total); and one vehicle (\$15,000).

CRIME VICTIMS COMPENSATION

Replacement items include 12 PCs (\$1,000 each/\$12,000 total).

Agency Request	0.00	0	148,200	0	148,200
Governor's Recommendation	0.00	0	148,200	0	148,200

Statewide Cost Allocation

This decision unit includes adjustments for services provided by state agencies as follow: decreases of \$45,500 for Attorney General fees and \$400 for State Treasurer fees; and increases of \$4,000 for State Controller fees and \$400 for property and casualty insurance premiums.

Agency Request	0.00	0	(41,500)	0	(41,500)
Governor's Recommendation	0.00	0	(41,500)	0	(41,500)

Industrial Commission

Analyst: Swanson

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Reflects the calculated cost of a 3.5% salary increase for permanent and group positions.					
Agency Request	0.00	0	214,800	0	214,800
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	0	306,900	0	306,900
FY 2008 Program Maintenance					
Agency Request	139.50	0	14,085,600	850,600	14,936,200
Governor's Recommendation	139.50	0	13,934,100	850,600	14,784,700
1. Medical Fee Program Specialist			Adjudication		
The Industrial Commission is requesting \$51,600 in personnel costs, \$4,600 in operating expenditures and one-time capital outlay of \$8,000 for a medical fee program specialist. In FY 2005, the Legislature passed HB 331, requiring the commission to develop a methodology for medical service reimbursement based on Medicare's Resource-Based Relative Value Scale (RBRVS). The commission states that implementation of the new fee schedule has resulted in a dramatic increase in medical fee disputes and has also required a significant amount of staff time for data analysis and communication with affected parties. The medical fee program specialist would ease workload demands on existing staff and provide expertise specific to the new fee schedule.					
Agency Request	1.00	0	64,200	0	64,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Compliance Investigations Supervisor			Compensation		
The Industrial Commission is requesting \$48,900 in personnel costs, \$11,600 in operating expenditures and one-time capital outlay of \$34,900 for the addition of a compliance investigations supervisor to supervise eight investigators. Capital outlay includes office setup and \$27,000 for a 4-wheel drive vehicle. The commission states that the compliance section manager currently in place cannot adequately supervise the investigative staff, given the other duties of the position. The new supervisor would assume this responsibility and also carry a partial investigative workload.					
Agency Request	1.00	0	95,400	0	95,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Salary Schedule Market Adjustment			All Programs		
The Industrial Commission is requesting \$306,600 in ongoing personnel costs to provide a 5% salary increase for permanent employees above what is provided by CEC. The funds will be used to increase pay for employees who are below market rates and address turnover.					
Agency Request	0.00	0	306,600	0	306,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Crime Victims Supervisor			Crime Victims Compensation		
The Industrial Commission is requesting \$48,900 in personnel costs, \$11,800 in operating expenditures and one-time capital outlay of \$4,500 for the addition of a crime victims supervisor. The commission states that this position would alleviate the crime victims bureau chief of many supervisory duties and allow for completion of administrative responsibilities that cannot be handled with existing resources, due to caseload growth.					
Agency Request	1.00	0	65,200	0	65,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Industrial Commission

Analyst: Swanson

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. CV Financial Support Technician			Crime Victims Compensation		
The Industrial Commission is requesting \$34,000 in personnel costs, \$3,800 in operating expenditures and one-time capital outlay of \$7,400 for a crime victims financial support technician. The commission states that the volume and scope of work managed within the crime victims section has increased significantly since the existing financial support technician position was established over ten years ago, and believes that adding another position will ensure timely processing of payments.					
Agency Request	1.00	0	45,200	0	45,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Security Software			All Programs		
The Industrial Commission is requesting \$15,000 in one-time operating expenditures to purchase three software programs to minimize the risk of personal information theft from the commission's electronic systems. Increased security is required per SB 1374 and has been recommended by the Information Technology Resource Management Council.					
Agency Request	0.00	0	15,000	0	15,000
Governor's Recommendation	0.00	0	15,000	0	15,000
7. Vehicle for Boise Administrative Office			Compensation		
The Industrial Commission is requesting \$25,000 in one-time capital outlay to purchase a hybrid automobile for use by the Boise administrative office. In the past, a vehicle was shared between Administration and the Rehabilitation Program; however, the Rehabilitation Program has since moved to another office location, leaving the administrative office without a vehicle for daily business use.					
Agency Request	0.00	0	25,000	0	25,000
Governor's Recommendation	0.00	0	25,000	0	25,000
8. Development Servers			All Programs		
The Industrial Commission is requesting one-time funds of \$24,000 to purchase two development servers. Use of development servers allows system testing to occur in a controlled environment and eliminates the risk that the entire production system will crash if the testing should fail. The commission believes that this equipment will reduce workload for information technology staff.					
Agency Request	0.00	0	24,500	0	24,500
Governor's Recommendation	0.00	0	24,500	0	24,500
9. Additional Seminar Appropriation			Compensation		
The Industrial Commission is requesting an ongoing increase of \$10,000 for operating expenditures in the Seminar Fund. Revenues for this fund are generated solely through registration fees charged for attendance at the annual Workers' Compensation Seminar and Workers' Compensation Certification courses. As attendance has increased at these events, revenues have increased, but the amount appropriated has not been sufficient to fully cover related costs.					
Agency Request	0.00	0	10,000	0	10,000
Governor's Recommendation	0.00	0	10,000	0	10,000
10. Use of Budget Savings			All Programs		
Agency Request	0.00	0	0	0	0
<i>The Governor recommends that the commission use current year budget savings that are being generated by the delay in moving into new offices to fund the following enhancements: security software (\$15,000), vehicle for the Boise administrative office (\$25,000), and development servers (\$24,500), for a net budgetary increase of zero for these enhancements.</i>					
<i>[Analyst Comment: The FY 2007 budget for the Industrial Commission included \$346,300 for office relocation (\$74,400 for one-time moving costs and \$271,900 for the ongoing increase in rent costs and additional square footage). The commission has not yet relocated to a new office].</i>					
Governor's Recommendation	0.00	0	(64,500)	0	(64,500)
FY 2008 Total					
Agency Request	143.50	0	14,736,700	850,600	15,587,300
Governor's Recommendation	139.50	0	13,944,100	850,600	14,794,700

Industrial Commission

Analyst: Swanson

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	4.00	0	721,300	0	721,300
% Change from Original App	2.9%		5.1%	0.0%	4.9%
Governor's Recommendation					
Change from Original App	0.00	0	(71,300)	0	(71,300)
% Change from Original App	0.0%		(0.5%)	0.0%	(0.5%)